

**Translation Purpose Only**

April 28, 2008

To All Concerned Parties

REIT Issuer:  
Kenedix Realty Investment Corporation  
2-2-9 Shimbashi, Minato-ku, Tokyo  
Taisuke Miyajima, Executive Director  
(Securities Code: 8972)

Asset Management Company:  
Kenedix REIT Management, Inc.  
Taisuke Miyajima, CEO and President

Inquiries:  
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Director / General Manager, Financial Planning Division

**Notice Concerning Acquisition of Property**  
**(KDX Iwamoto-cho Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on April 28, 2008 to acquire the KDX Iwamoto-cho Building. Details are provided as follows.

**1. Outline of the Acquisition**

- |                                   |   |   |
|-----------------------------------|---|---|
| (1) Type of Acquisition           | : | Real estate   |
| (2) Property Name                 | : | KDX Iwamoto-cho Building  |
| (3) Acquisition Price             | : | ¥1,864,802,000<br>(excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.) |
| (4) Date of Contract              | : | May 1, 2008   |
| (5) Scheduled Date of Acquisition | : | May 1, 2008   |
| (6) Seller                        | : | Y.K. KITANOMARU INVESTMENT<br>(Refer to Item 4. Seller’s Profile for details)                               |
| (7) Acquisition Funds             | : | Debt financing  |
| (8) Settlement Method             | : | Payment in full on settlement   |
| (9) Source of Acquisition         | : | Original network of the Asset Management Company<br>(Direct Acquisition)                                    |

The aforementioned KDX Iwamoto-cho Building shall hereafter be referred to as “the Property.”

**2. Reason for Acquisition**

The acquisition is made to raise the investment ratio of office buildings in the Tokyo Metropolitan Area, and to further enhance and stabilize the Investment Corporation’s overall investment portfolio, in accordance with its Articles of Incorporation and fundamental investment policies.

Prior to its decision, the Investment Corporation undertook due diligence, considering a number of factors including the following.

(1) Area

The property is an office building located approximately three minutes on foot from Akihabara Station on the JR Yamanote Line, JR Keihin Tohoku Line, JR Sobu Line, Tokyo Metro Hibiya Line and Tsukuba Express and two minutes on foot from Iwamotocho Station on the Toei Shinjuku Line. The property enjoys excellent access to major office areas such as Shinjuku and Tokyo due to its proximity to two train stations and six train lines.

Although the area surrounding nearby Akihabara has undergone large-scale redevelopment and there is active demand for office space in the Iwamotocho area, there is an abundance of older small and medium-size buildings and so newly constructed properties are valued higher due to their rarity value.

(2) Building

Due to completion of its construction in March of this year, an average ceiling height of 3 meters, complete OA flooring on all floors (about 120mm), individual air-conditioning systems on each floor, and other facilities and specifications that meet tenant needs, the property is considered to be highly competitive in the Akihabara and Iwamotocho areas where many older, small and medium-size buildings are located. Furthermore, with a leasable floor area of approximately 191m<sup>2</sup> for a typical floor in the leasable portion of the building and the astylar construction of these spaces, the building is equipped with specifications to meet the demands of the tenants in this area

(3) Tenants

The property is currently occupied by an IT-related company and a personnel placement company, and the occupancy rate as of April 1 of this year is about 50%. Rental agreements for the 2<sup>nd</sup>, 3<sup>rd</sup> and 8<sup>th</sup> floors are scheduled to be concluded in May, and if the tenants from these agreements are included the occupancy rate will be about 84.6%. The Investment Corporation will take advantage of the rarity value of the property in the Akihabara and Iwamotocho areas and conduct proactive leasing efforts to ensure property management with a stable occupancy rate in the short term.

**3. Property Details**

Property Name		KDX Iwamoto-cho Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		Y.K. KITANOMARU INVESTMENT September 29, 2006 (Note 1)
Previous Owner / Acquisition Date		Aoyama Mainland November 29, 2005 (Note 1)
Location (Address)		3-11-9 Iwamoto-cho, Chiyoda-ku, Tokyo
Usage		Offices, Residential Complex (8F: 1 unit, 9F: 2 units)
Type of Structure		Steel-frame structure; nine above-ground floors
Site Area	Land	266.86 m <sup>2</sup>
	Building	1,618.65 m <sup>2</sup>
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		March 18, 2008
Architect		Archiforme Architects & Engineers
Construction Company		Kitano Construction Corporation
Construction Confirmation Authority		Chiyoda-ku, Tokyo
Probable Maximum Loss		7.15% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥1,864,802,000

Appraisal	Appraisal Value	¥1,900,000,000
	Base Date for Appraisal	April 1, 2007
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition	None	
Masterlease Company after Acquisition	None	
Property Management Company after Acquisition	Kenedix REIT Management, Inc.	
Number of End Tenants	3 (As of April 1, 2008. The same applies below.)	
Total Leasable Floor Area	1,524.68 m <sup>2</sup> (residential portion: 3 units, total 269.88 m <sup>2</sup> )	
Total Leased Floor Area	762.72 m <sup>2</sup> (residential portion: 0 unit: 0 m <sup>2</sup> ) (Note 2)	
Occupancy Ratio	50.0% (Note 2)	
Monthly Rental Income (Excluding Consumption Tax)	¥5,248,880 (Note 3)	
Security and Guarantee Deposit	¥41,068,160 (Note 3)	
Forecast Net Operating Income	Please refer to Reference Material 2.	
Special Considerations	None	
Other	<p>Notes:</p> <ol style="list-style-type: none"> <li>1. The oldest property land acquisition date is shown.</li> <li>2. Rental agreements for the 2<sup>nd</sup> (about 191m<sup>2</sup>), 3<sup>rd</sup> (about 191m<sup>2</sup>) and 8<sup>th</sup> (about 146 m<sup>2</sup>) floors are scheduled to be concluded in May, and if the tenants from these agreements are included the occupancy rate will be about 84.6%.</li> <li>3. Monthly rental income and guarantee deposit information is exclusive of parking facility amounts.</li> </ol>	

#### 4. Seller's Profile

Company Name	Y.K. KITANOMARU INVESTMENT
Head Office Address	4-6-1 Kudan Silver Palace 806, Kudan-minami, Chiyoda-ku, Tokyo
Representative	One individual
Capital	¥300 million
Principal Shareholder	Dear Life Co., Ltd., others
Business Activities	<ol style="list-style-type: none"> <li>1. Trading, holding, management, leasing and brokerage of real estate</li> <li>2. Acquire, holding, trading and management of trust beneficiary interests in real estate</li> <li>3. Aforementioned associated business</li> </ol>
Relationship with the Investment Corporation or the Asset Management Company	None
Special Considerations	None

\*As of April 15, 2008

\* As approval for disclosure has not been obtained, the representative's name has been omitted.

## 5. Acquirer's (Seller) Profile

The seller (the current owner) of this property is not a special related party of Kenedix REIT Management, Inc. ("the Asset Management Company").

## 6. Details of Brokerage

No applicable.

## 7. Interested-Party Transactions

Related to the acquisition of the Property, transaction between the Investment Corporation and the Asset Management Company are as follows.

The Asset Management Company, bound by its rules as they relate to interested-party transactions, worked to ensure strict compliance with statutory and other regulatory requirements. Furthermore, in order to ensure that the transactions were conducted in an open and fair manner and that the Investment Corporation was not disadvantaged, the Asset Management Company submitted all transactions for deliberation and approval by the Compliance Committee and the Asset Management Committee. Subject to approval, each transaction was then submitted to the Board of Directors for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the aforementioned transactions.

### Appointment of a Property Management Company

The Investment Corporation plans to execute a property management agreement with the Asset Management Company on May 1, 2008.

Fees relating to property management remain at the same level as current properties.

Outline of Property Managements Fees:

- Leasing management fees  
 Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%
- Management transfer fees

Property (Trust Beneficiary Interest) Price	Management Transfer Fee (At the Time of Purchase and Sale)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million

## 8. Outlook

There are no revisions to the forecasts for the fiscal periods ending April 30, 2008 and October 31, 2008, respectively, as a result of the acquisition of the Property.

This notice is the English translation of the Japanese announcement on our Web site released on April 28, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

**Attached Materials**

- ① Outline of Property Appraisal
- ② Projected Cash Flow
- ③ Building Condition Investigation Report
- ④ Property Photographs
- ⑤ Property Portfolio after Acquisition of the Property

**Reference Material 1**

**Outline of Property Appraisal**

<b>Unit : Yen</b>	
Appraisal Value	1,900,000,000
Base Date for Appraisal	April 1, 2008
Appraiser	Japan Real Estate Institute
Value Calculated Using the Direct Capitalization Method	1,930,000,000
Gross Operating Revenue	109,086,000
Maximum Gross Operating Revenue	116,073,000
Shortfall Attributed to Vacancies	6,987,000
Operating Expenses	16,086,000
Administrative and Maintenance Expense	9,320,000
Taxes and Dues	6,313,000
Other Expenses	453,000
Net Operating Income (NOI)	93,000,000
Capital Expenditure	1,665,000
Gain on Guarantee Deposit Investment (Note)	1,536,000
Net Cash Flow (NCF)	92,871,000
Overall Capitalization Rate (NCF)	4.8%
Value Calculated Using the Discounted Cash Flow Method	1,870,000,000
Discount Rate	4.6%
Terminal Capitalization Rate	5.0%
Value Calculated Using the Cost Method	1,560,000,000
Land	62.25%
Building	37.75%

Note: Gain on guarantee deposit investment is calculated, based on a property guarantee deposit operating yield of 2.0%.

**Reference Material 2**

**Projected Cash Flow**

<b>Unit : Millions of Yen</b>	
A. Projected Operating Revenues	121
B. Projected Operating Expenses (excluding depreciation)	27
C. Projected NOI (A-B)	94

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors of the year of acquisition.
2. Revenues are based on an occupancy ratio of approximately 96%, based on the current occupancy ratio and future changes of occupancy.
3. Expenses include property management fees, taxes and dues, repairs and maintenance expenses, and insurance.

**Reference Material 3**

**Building Condition Investigation Report**

<b>Unit: Yen</b>	
Investigation Company	HI International Consultant Co., LTD.
Date of Investigation	April 2008
Repairs, maintenance and renovation expenses required over the next year (Note 1)	0
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	19,680,000
Unit-in-Place	374,300,000

- \* The abovementioned investigation company undertakes building assessments for this property such as
- a diagnosis of building deterioration
  - formulation of a short- and long-term repair and maintenance plan
  - assessment of legal compliance with the Building Standards Law
  - analyses of the existence of hazardous substances and the soil environment and submits a building assessment report to the Investment Corporation.

**Reference Material 4**

**Property Photographs**



**Reference Material 5**

**Property Portfolio after Acquisition of the Property**

Type of Use	Area	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	Toranomon Toyo Building	9,850	4.4%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	3.4%	February 1, 2008
		KDX Ochanomizu Building	6,400	2.9%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.7%	March 1, 2007
		KDX Kojimachi Building	5,950	2.7%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.7%	August 1, 2005
		Toshin 24 Building	5,300	2.4%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.3%	August 1, 2005
		KDX Shin-Yokohama 381 Building	4,700	2.1%	February 1, 2008
		Ebisu East 438 Building	4,640	2.1%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	2.0%	August 1, 2005
		KDX Toranomon Building	4,400	2.0%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	1.9%	December 1, 2006
		KDX Kawasaki-Ekimae Hon-cho Building (Note 2)	3,760	1.7%	February 1, 2008
		KDX Hatchobori Building	3,680	1.6%	August 1, 2005
		KDX Omori Building	3,500	1.5%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.5%	May 1, 2006
		KDX Roppongi 228 Building (Note 2)	3,300	1.5%	January 10, 2008
		KDX Higashi-Shinjuku Building	2,950	1.3%	September 1, 2006
		KDX Kayabacho Building	2,780	1.2%	May 1, 2006
		KDX Jimbocho Building	2,760	1.2%	March 31, 2008
		Nissou Dai-17 Building	2,710	1.2%	February 1, 2008
		KDX Shinbashi Building	2,690	1.2%	May 1, 2006
		KDX Nakano-Sakaue Building	2,533	1.1%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.1%	May 1, 2006
		Harajuku F.F. Building	2,450	1.1%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	1.0%	February 1, 2008
		KDX Kajicho Building	2,350	1.0%	July 3, 2006
		KDX Hamacho Nakanohashi Building (Note 3)	2,310	1.0%	February 1, 2008
		KDX Hamacho Building	2,300	1.0%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	1.0%	June 1, 2007
		FIK Minami Aoyama	2,270	1.0%	August 1, 2005
		KDX Funabashi Building	2,252	1.0%	March 1, 2006
Shin-toshin Maruzen Building	2,110	0.9%	February 29, 2008		
KDX Okachimachi Building	2,000	0.9%	March 1, 2007		
KDX Gobancho Building (Note 3)	1,951	0.8%	March 31, 2008		

		Kanda Kihara Building	1,950	0.8%	August 1, 2005	
		KDX Yotsuya Building	1,950	0.8%	May 1, 2006	
		KDX Iwamoto-cho Building	1,864	0.8%	May 1, 2008	
		KDX Shinjuku-Gyoen Building	1,610	0.7%	August 1, 2005	
		KDX Kiba Building	1,580	0.7%	June 20, 2006	
		KDX Nishi-Shinjuku Building	1,500	0.6%	April 2, 2007	
		KDX Monzen-Nakacho Building	1,400	0.6%	January 19, 2007	
		KDX Kanda Misaki-cho Building (Note 2)	1,380	0.6%	February 1, 2008	
		KDX Hon-Atsugi Building	1,305	0.5%	March 1, 2007	
		KDX Hachioji Building	1,155	0.5%	March 1, 2007	
		KDX Nogizaka Building	1,065	0.4%	July 14, 2006	
		KDX Koishikawa Building	704	0.3%	August 1, 2005	
	Other Regional Areas		Sakae 4-chome Office Building (Tentative Name)(Note 4)	8,325 (Note 5)	3.8%	Land: April 25, 2008 Building: July 1, 2009 (planned)
			Portus Center Building	5,570	2.5%	September 21, 2005
			Karasuma Building	5,400	2.4%	June 1, 2007
			KDX Hakata-Minami Building	4,900	2.2%	February 1, 2008
			KDX Hakata Building	2,350	1.0%	June 1, 2007
			KDX Kitahama Building (Note 2)	2,220	1.0%	February 1, 2008
			KDX Sendai Building	2,100	0.9%	June 1, 2007
		KDX Minami Semba Dai-1 Building	1,610	0.7%	May 1, 2006	
		KDX Minami Semba Dai-2 Building	1,560	0.7%	May 1, 2006	
		Hakata Ekimae-Dai2 Building	1,430	0.6%	August 1, 2005	
	KDX Niigata Building	1,305	0.5%	March 1, 2007		
Total of 59 Office Buildings			190,270	86.8%	—	
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	4.5%	August 1, 2005	
		KDX Yoyogi Building	2,479	1.1%	September 30, 2005	
	Other Regional Areas	ZARA Tenjin Nishi-dori	3,680	1.6%	May 1, 2006	
Total of 3 Central Urban Retail Properties			16,059	7.3%	—	
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.4%	May 1, 2006	
		Court Mejiro	1,250	0.5%	August 1, 2005	
		Apartments Motoazabu	1,210	0.5%	August 1, 2005	
		Apartments Wakamatsu-Kawada	1,180	0.5%	August 1, 2005	
		Gradito Kawaguchi	1,038	0.4%	June 30, 2006	
		Court Shin-Okachimachi	878	0.4%	May 1, 2006	
	Other Regional Areas	Venus Hibarigaoka	1,800	0.8%	December 8, 2005	
Total of 7 Residential Properties			12,709	5.8%	—	
Total of 69 Properties			219,038	100.0%	Portfolio PML 5.28% (Note 6)	

Notes:

1. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.

2. The current names of the respective buildings are as follows. Plans are in place to change the name of the property on May 1, 2008.
  - “KDX Kawasaki-Ekimae Hon-cho Building” is the “Dai-46 Kowa Building”
  - “KDX Roppongi 228 Building” is the “Cherubim Building”
  - “KDX Kanda Misaki-cho Building” is the “Misaki-cho MMK Building”
  - “KDX Kitahama Building” is the “Doshou Building”
3. The current names of the respective buildings are as follows. Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the buildings.
  - “KDX Hamacho Nakanohashi Building” is the “Hamacho Nakanohashi Building”
  - “KDX Gobancho Building” is the “ORIKEN Gobancho Building”
4. The property name has not yet been decided as of today, as the building is still under construction. The property name will be decided by the date the Investment Corporation acquires the building
5. Acquisition Price of ¥8,325 million is the total of the Land acquired on April 25, 2008 (¥4,000 million) and the Building planned to be acquired on July 1, 2009 (¥4,325 million).
6. Sakae 4-chome Office Building (Tentative Name) is not included in the Portfolio PML.